

WASHINGTON DEPARTMENT OF ECOLOGY WASTEWATER/STORMWATER PERMIT FEE PROGRAM

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WASHINGTON DEPARTMENT OF ECOLOGY WASTEWATER/STORMWATER PERMIT FEE PROGRAM

Background

Initiative 97 passed by Washington State Voters in the 1988 general election requires Ecology to establish annual fees to collect expenses for issuing and administering wastewater discharge permits.

The law requires a fee schedule to be established by rule and be adjusted no more than once every two years. The fee schedule applies to all permits, regardless of date of permit issuance.

Fee eligible activities by Ecology include:

- Processing permit applications and modifications,
- Monitoring and evaluating compliance with permits,
- Conducting inspections,
- Securing laboratory analysis of samples taken during inspections,
- Reviewing plans and documents directly related to operations of permittees,
- Overseeing performance of delegated pretreatment programs, and
- Supporting overhead expenses directly related to these activities.

Ecology initially developed and adopted a fee rule, Chapter 173-224 WAC – Wastewater Discharge Permit Fees in 1989 which contains fee schedules for both industrial and municipal permit holders. In accordance with state law, the fee rule is amended every two years. The last amendment process occurred in 2001/2002.

PROPOSED CHANGES TO WAC 173-224- WASTEWATER DISCHARGE PERMIT FEES

(030) – Definitions

Current definition: “Noncontact cooling water with additives” means water used for cooling that comes into contact with corrosives.

Proposed change: “Noncontact cooling water with additives” means water used for cooling that does not come into direct contact with any raw materials, intermediate product, waste product or finished product, but which may contain chemicals or additives added by the permittee to control corrosion or fouling of the cooling system.

Rational for change: Permit managers and permit holders stated the existing definition is too vague and requested further clarity. This proposed change what cooling water comes into contact with before it is considered to have additives.

WASHINGTON STATE DEPARTMENT OF ECOLOGY WASTEWATER/STORMWATER DISCHARGE PERMIT FEES

Initiative 601

Passed by Washington Voters in November 1993 general election and now codified as RCW 43.135, includes language that restricts fee increases in any fiscal year that exceeds the fiscal growth factor for that year without prior legislative approval.

The Washington State Office of Financial Management (OFM) has the responsibility of calculating the annual General Fund-State spending limits.

OFM has calculated the Fiscal Growth Factor for Fiscal Years 2005 and 2006 as:

Fiscal Year 2005	3.03%
Fiscal Year 2006	2.62% (tentative)

Fiscal Growth Factor means the average of the sum of inflation and population change for each of the prior three fiscal years.

The 2003 Legislature put language into Ecology's budget that would allow the Department to increase fees beyond the fiscal growth factor for fiscal years 2005 and 2006. Ecology has chosen **not to pursue** this option. Ecology is proposing to increase fees in accordance with Initiative 601.

**WASHINGTON STATE DEPARTMENT OF ECOLOGY
WASTEWATER/STORMWATER DISCHARGE PERMIT
FEES**

(040) Permit fee schedule.

Ecology is proposing to increase permit fees for all permit holders by:

Fiscal Year 2005	3.03%
Fiscal Year 2006	2.62% (tentative)

The increases are estimated to allow Ecology to recover the following:

Fiscal Year 2005	\$12,885,394 (approximate)
Fiscal Year 2006	13,222,991 (approximate)
Total	\$26,108,385

Fiscal year totals include application fees expected to be received and adjustments made for nonpayment of fees and small business fee reductions.

Concentrated Animal Feeding Operations and Dairies

The Concentrated Animal Feeding Operation category contains five subcategory ranges based on the number of animal units housed at the site. (For example, Subcategory A - < 200 Animal Units; Subcategory B – 200 - < 400 Animal Units; etc.) This category structure is currently used by Ecology for beef feedlots.

The Dairy Fee Category charges a flat rate (\$.50) per animal unit with a cap on the total fee assessed to any one farm of \$985.00 for Fiscal Year 2004. (The cap can be increased by the fiscal growth factor each year.) Because fees for dairies or milk cows are set in statute (RCW 90.48.465(5) – Water Pollution Control), they are not included in the proposed new CAFO fee categories.

In December 2002, the Environmental Protection Agency revised the Clean Water Act regulation for Concentrated Animal Feeding Operations, or CAFOs. In addition to dairies (including heifers) and beef feedlots (including veal calves) over a certain size that are defined as “large CAFOs” permits will now be required for all operations that are defined as large CAFOs, including chicken, turkey, horse, sheep, swine and ducks. In addition, some small and medium CAFOs may also need permits if they meet certain conditions in the federal rule.

The 2003 Legislature reassigned the Ecology Dairy Nutrient Management Program to the Department of Agriculture. As a result of that change, the two agencies developed an agreement to determine what responsibilities lie within each agency. Ecology is the lead agency on permit fees and is responsible for developing a fee category/subcategory structure that incorporates the new CAFO definitions in the federal rules.

The existing fee subcategory for CAFOs will not work with the new animal requirements because the new federal rules are not based on animal units, but on numbers of animals that are different for each species.

Ecology is examining two options:

Option #1 – Continue with the existing fee structure using animal units. Develop animal units for the new operations receiving permit coverage (i.e. turkey, sheep, ducks, etc.)

Option #2: Use the new federal categories

- A. Small Operations
- B. Medium Operations
- C. Large Operations

The following new definition would have to be added to the fee rule:

“Small Concentrated Animal Feeding Operations” mean:

Beef Cattle – < 300 beef cattle

Chickens – < 9,000 chickens (liquid manure handling systems), < 25,000 laying hens (other than liquid manure handling system), < 37,500 chickens except laying hens (other than liquid manure handling systems).

Ducks – < 10,000 ducks (other than liquid manure systems), < 1,500 ducks (liquid manure systems)

Horses – < 150 horses

Sheep – < 3,000 sheep or lambs

Swine – < 750 swine, each weighing 55 pounds or more, < 3,000 swine each weighing less than 55 pounds.

Turkeys – < 16,500 turkeys

Veal Calves – < 300 veal calves

“Medium Concentrated Animal Feeding Operations” mean:

Beef Cattle – 300 - < 1,000 beef cattle

Chickens – 9,000 - < 30,000 chickens (liquid manure handling systems), 25,000 - < 82,000 laying hens (other than liquid manure handling system), 37,500 - < 125,000 chickens except laying hens (other than liquid manure handling systems).

Ducks – 10,000 - < 30,000 ducks (other than liquid manure systems), 1,500 ducks (liquid manure systems)

Horses – 150 – 500 horses

Sheep – 3,000 - < 10,000 sheep or lambs

Swine – 750 – < 2,500 swine, each weighing 55 pounds or more, 3,000 - < 10,000 swine each weighing less than 55 pounds.

Turkeys – 16,500 - < 55,000 turkeys

Veal Calves – 300 - < 1,000 veal calves

“Large Concentrated Animal Feeding Operations” mean:

Beef Cattle – 1,000 beef cattle or more

Chickens – 30,000 chickens (liquid manure handling systems), 82,000 laying hens (other than liquid manure handling system), 125,000 chickens except laying hens (other than liquid manure handling systems) or more.

Ducks – 30,000 ducks (other than liquid manure systems), 5,000 ducks (liquid manure systems) or more.

Horses – 500 horses or more.

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Sheep – 10,000 sheep or lambs or more.

Swine – 2,500 swine, each weighing 55 pounds or more, 10,000 swine each weighing less than 55 pounds or more.

Turkeys – 55,000 turkeys or more.

Veal Calves – 1,000 veal calves or more.

Create a new fee subcategory in the Shipyard category:

Add the following subcategory: g. In-water vessel maintenance

Ecology is getting ready to issue a new permit for ship repair being done at pier side rather than in a drydock. A fee subcategory needs to be created that addresses this activity.

Phase 2 Stormwater Fees

Currently, there are fees for Phase 1 Stormwater municipalities. The FY2004 annual fee for each municipality and the Department of Transportation totals \$31,272 (FY 2004 dollars).

To incorporate Phase 2 Communities, Ecology is examining the following options:

1. Set a flat fee for Phase 2 jurisdiction regardless of size. This would set a fee totaling approximately \$8,020 per year. Phase 1 communities would still pay \$31,272 per year.
2. Establish Phase 2 Fees using a flat rate based on the number of housing units inside the geographic area covered by the permit then adjusting fees for economically disadvantaged communities.

Disadvantaged communities are those communities whose median household income is below the average state median house hold income currently set at \$49,898.

For example, if the flat rate is set at \$1.00 per household unit, disadvantaged communities would pay a lesser rate (i.e. \$.50 per household unit).

The maximum fee for Phase 2 Communities would not exceed what Phase 1 Communities pay - \$31,272 (FY 2004 dollars). The minimum fee for a Phase 2 Community would be \$1,500 per year, unless they otherwise qualify for a hardship reduction.

Phase 1 Communities would still continue to pay \$31,272 (FY2004 dollars).

Ecology is open to other ideas for establishing fees for Phase 2 Communities. The revenue target identified totals approximately \$600,000 per year.

The fee structure needs to be simple to manage so it does not become resource intensive.

Phase 2 Stormwater Fees

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Another area where phase 2 stormwater fees need to be established is for “special purpose districts”. Special purpose districts are owners and operators of publicly owned storm sewer systems located within areas that are subject to the phase 2 municipal stormwater regulations.

RULE ADOPTION TIMELINE

Hold Statewide Workshops Spokane, Ellensburg Bellingham, Longview and Olympia	November 19 – December 9
Rule filed with Code Reviser (Opens up formal public comment period)	February 4, 2004
Hold public hearings Olympia, Moses Lake	March 23, 24 & 25, 2004
End Public Comment Period	April 7, 2004
Prepare Response to Comments Summary	May 3, 2004
Prepare Rule Adoption Packet	May 17, 2004
Rule Adopted	May 30, 2004
Rule Effective	July 1, 2004
Bills Mailed	July 20 – 25, 2004